



# WEINLANDER FITZHUGH

CERTIFIED PUBLIC ACCOUNTANTS  
& CONSULTANTS

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PLAINFIELD TOWNSHIP  
IOSCO COUNTY, MICHIGAN

FINANCIAL STATEMENTS  
JUNE 30, 2006

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**RSM McGladrey Network**  
An Independently Owned Member

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Plainfield Township	County Iosco
Fiscal Year End 06-30-06	Opinion Date 09/07/06	Date Audit Report Submitted to State 10-19-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Weinlander Fitzhugh, CPA's		Telephone Number 989-893-5577	
Street Address 1600 Center Ave		City Bay City	State MI
Zip 48707			
Authorizing CPA Signature <i>Stewart J. Reid CPA</i>		Printed Name Stewart Reid, CPA	License Number 1101008826

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## INDEPENDENT AUDITORS' REPORT

September 7, 2006

Township Board  
Township of Plainfield  
Iosco County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the Township of Plainfield, Iosco County, Michigan as of and for the year ended June 30, 2006, which collectively comprise the Township's basic financial statements as listed in the index. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund and aggregate remaining fund information of the Township of Plainfield as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with U.S. generally accepted accounting principles.

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# WEINLANDER FITZHUGH

Township Board  
Township of Plainfield  
September 7, 2006  
Page 2

## **Required Supplemental Information**

The management's discussion and analysis and budgetary comparison information listed in the index are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles and the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

## **Other Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Plainfield's basic financial statements. The accompanying other supplemental information, as identified in the index, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Weinlander Fitzhugh*

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

Our discussion and analysis of the Township of Plainfield's financial performance provides an overview of the Township's financial activities for the fiscal year ended June 30, 2006.

**Financial Highlights**

The Township's net assets increased \$77,000 to \$2,152,000. The General Fund reported an increase in fund balance of \$102,000 resulting in an ending balance of \$398,000.

**Using this Annual Financial Report**

This annual financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Township of Plainfield financially as a whole. The *Government-wide Financial Statements* provide information about the activities of the whole Township, presenting both an aggregate view of the Township's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements look at the Township's operations in more detail than the government-wide financial statements by providing information about the Township's funds. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements for the Township's sewer operations. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the Township acts solely as an agent or trustee.

The following summarizes the presentation included in this annual financial report.

Management's Discussion and Analysis (MD&A) (Required Supplemental Information)

Basic Financial Statements

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

Budgetary Information for the General Fund, Road Fund, Garbage and Rubbish Collection Fund, Fire Fund, and Loon Lake Fund. (Required Supplemental Information)

**Reporting the Township as a Whole**

*The Statement of Net Assets and Statement of Activities*

One of the most important questions asked about the Township's finances is, "Is the Township better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Township as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

These two statements report the Township's net assets as a way to measure the Township's financial position. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The reader will need to consider other nonfinancial factors such as property tax base, and facility conditions in arriving at their conclusion regarding the overall health of the Township.

**Reporting the Township's Most Significant Funds**

*Fund Financial Statements*

The Township's fund financial statements provide detailed information about the most significant funds – not the Township as a whole. Some funds are required to be established by State law and by bond covenants. Other funds are established to help it control and manage money for particular purposes or to meet legal responsibilities for using certain taxes, grants, and other sources of revenue. The Township's three types of funds, governmental, proprietary and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

*Governmental Funds*

Most of the Township's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Township's general operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources available to spend in the near future to finance the Township's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

*Proprietary Funds*

These funds are reported in fund financial statements and generally report services for which the Township charges a fee. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements.

This fund presents the Township's sewer operations that are managed by the Township. The Township has sole authority to set rates and is financially responsible for the integrity of the system.



Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

*Fiduciary Funds*

The Township is the trustee, or fiduciary, for the Cemetery Trust Fund. All of the Township's fiduciary activities are reported in separate Statements of Net Assets and Changes in Net Assets. We excluded these activities from the Township's other financial statements because the assets cannot be utilized by the Township to finance its operations.

**Government-wide Financial Analysis**

**Financial position** - The statement of net assets provides the perspective of the Township as a whole. Exhibit A provides a summary of the Township's net assets as of June 30, 2006 and 2005:

<b><u>Exhibit A</u></b>	Governmental Activities		Business-type Activities	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Assets</b>				
Current and other assets	\$ 1,057,000	\$ 860,000	\$ 322,000	\$ 337,000
Capital assets - net of accumulated depreciation	<u>999,000</u>	<u>1,020,000</u>	<u>481,000</u>	<u>531,000</u>
Total assets	<u>2,056,000</u>	<u>1,880,000</u>	<u>803,000</u>	<u>868,000</u>
<b>Liabilities</b>				
Current liabilities	336,000	247,000	0	0
Long-term liabilities	<u>6,000</u>	<u>6,000</u>	<u>365,000</u>	<u>420,000</u>
Total liabilities	<u>342,000</u>	<u>253,000</u>	<u>365,000</u>	<u>420,000</u>
<b>Net Assets</b>				
Invested in property and equipment - net of related debt	999,000	1,020,000	116,000	111,000
Restricted	0	3,000	0	0
Unrestricted	<u>715,000</u>	<u>604,000</u>	<u>322,000</u>	<u>337,000</u>
Total net assets	<u>\$ 1,714,000</u>	<u>\$ 1,627,000</u>	<u>\$ 438,000</u>	<u>\$ 448,000</u>

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

Exhibit A , on the previous page, focuses on net assets. The Township's total net assets were \$2.2 million at June 30, 2006. Capital assets net of related debt, totaling \$1.1 million compares the original costs, less depreciation of the Township's capital assets to long-term debt used to finance the acquisition of those assets.

The \$1.04 million of unrestricted net assets of governmental and business-type activities represents the *accumulated* results of all past years' operations. The operating results of the General, Special Revenue and Enterprise Funds will have a significant impact on the change in unrestricted net assets from year to year.

**Results of operations** - The results of this year's operations for the Township as a whole are reported in the statement of activities, which shows the changes in net assets for the year ended June 30, 2006, and is summarized in Exhibit B.

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

<b><u>Exhibit B</u></b>	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
<b>Revenue</b>				
Program revenue:				
Charges for services	\$ 448,000	\$ 456,000	\$ 64,000	\$ 65,000
Capital grants and contributions	6,000	256,000	0	0
General revenue:				
Property taxes	507,000	472,000	0	0
State shared revenue	313,000	286,000	0	0
Interest and investment earnings	16,000	8,000	4,000	2,000
Other	78,000	41,000	0	10,000
Total revenue	1,368,000	1,519,000	68,000	77,000
<b>Function/Program Expenses</b>				
General government	399,000	536,000	0	0
Public safety	188,000	180,000	0	0
Sanitation	214,000	214,000	0	0
Highways and streets	246,000	193,000	0	0
Recreation and culture	20,000	23,000	0	0
Library	44,000	21,000	0	0
Other	56,000	59,000	0	0
Public works	114,000	0	0	0
Sewer	0	0	78,000	98,000
Total expenses	1,281,000	1,226,000	78,000	98,000
<b>Increase (decrease) in net assets</b>	<b>\$ 87,000</b>	<b>\$ 293,000</b>	<b>\$ (10,000)</b>	<b>\$ (21,000)</b>

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

As reported in the statement of activities, the cost of all of our *governmental and business-type* activities this year was \$1.4 million. Certain activities were partially funded by \$512,000 received from those who benefited from the programs, or by the other Townships and organizations that subsidized certain programs with grants of \$6,000. We paid for the remaining "public benefit" portion of our governmental and business-type activities with \$507,000 in taxes, \$313,000 in State shared revenue, and with our other revenues, such as interest and miscellaneous revenues.

The Township experienced an increase in net assets of \$77,000 mainly due to actual expenditures being less than anticipated. There were no significant revenue increases this year. The increase in net assets differs from the change in fund balance and a reconciliation appears in the financial statements.

**The Township's Funds**

The Township uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the Township is being accountable for the resources taxpayers and others provide to it and may provide more insight into the Township's overall financial health.

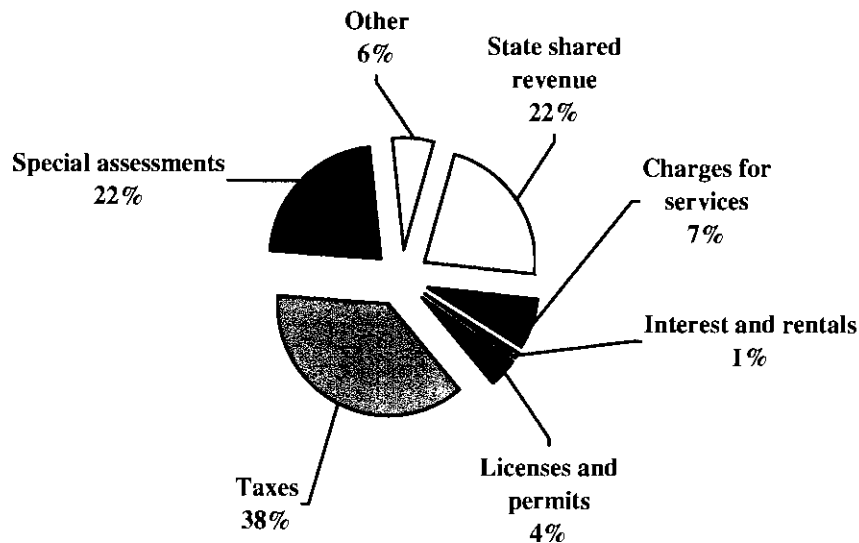
The Township's governmental funds reported a combined fund balance of \$722,000 which is above last year's total of \$614,000. The schedule below details the fund balance and the total change in fund balances as of June 30, 2006 and 2005.

	Fund Balance June 30, 2006	Fund Balance June 30, 2005	Increase (Decrease)
General fund	\$ 398,000	\$ 296,000	\$ 102,000
Road fund	225,000	214,000	11,000
Garbage and Rubbish Collection fund	(2,000)	10,000	(12,000)
Fire fund	123,000	77,000	46,000
Loon Lake improvement fund	(46,000)	0	(46,000)
Library fund	30,000	17,000	13,000
Bass Lake fund	0	0	0
West Londo Lake fund	(12,000)	0	(12,000)
Little Long Lake fund	6,000	0	6,000
Total	<u>\$ 722,000</u>	<u>\$ 614,000</u>	<u>\$ 108,000</u>

The Township's Sewer Fund's net assets decreased \$10,000 resulting in an ending balance of \$438,000.

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

The graph below details the major sources of the Township's revenues.



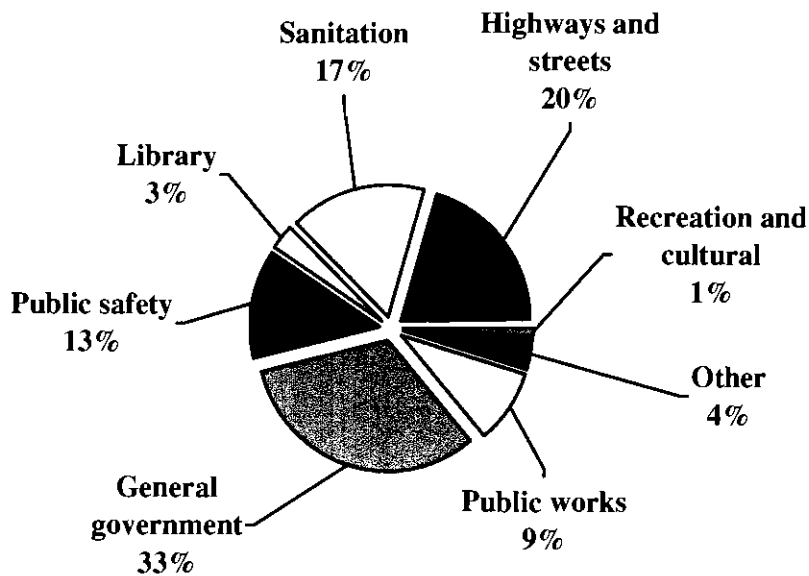
The chart below compares current year revenues with last year.

	2006	2005	Percentage Change
<i>Revenues by Function</i>			
Taxes	\$ 507,000	\$ 472,000	7.42%
Special assessments	290,000	274,000	5.84%
State shared revenue	313,000	286,000	9.44%
Other	84,000	42,000	100.00%
Charges for services	102,000	122,000	-16.39%
Licenses and permits	56,000	60,000	-6.67%
Interest and rentals	16,000	8,000	100.00%
Capital grants	0	256,000	-100.00%
Total	<u>\$ 1,368,000</u>	<u>\$ 1,520,000</u>	<u>-10.00%</u>

Revenues are down \$152,000 mainly due to the receipt of fire equipment grants in 2005.

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

The graph below details the major expenditure categories of the Township.



The chart below compares current year expenditures with last year.

	2006	2005	Change
<i>Expenditures by Function</i>			
General government	\$ 405,000	\$ 539,000	-25%
Highways and streets	246,000	193,000	27%
Sanitation	213,000	214,000	0%
Public safety	163,000	131,000	24%
Other	56,000	59,000	-5%
Library	44,000	21,000	110%
Recreation and cultural	19,000	22,000	-14%
Public works	114,000	0	100%
Capital outlay	0	501,000	-100%
Debt service	0	460,000	-100%
Total	<u>\$ 1,260,000</u>	<u>\$ 2,140,000</u>	<u>-41%</u>

Expenditures are down \$880,000 from the prior year mostly due to paying off the lease of the fire truck and also the purchase of a fire truck during 2005.

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

**Sewer System Fund** -The Township's Proprietary fund shows the activity of the Sewer Fund. This fund reported net assets of \$438,000 and a net decrease in net assets of \$10,000.

**General Fund Budgetary Highlights**

Over the course of the year, the Township revises its budget to reflect changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule showing the Township's original and final budget amounts compared with amounts actually paid and received is provided in required supplemental information of these financial statements.

Changes to the General Fund original budget were as follows:

- Budgeted revenues were decreased to account for the lake assessment revenue that will no longer be recognized in the general fund. During the current fiscal year, the Township created new funds for all of the lake assessments.
- Budgeted expenditures were decreased to account for the lake treatment expenditures that will no longer be recognized in the general fund.

Actual revenues exceed budget revenues by \$15,000, mainly due to receiving other revenues in excess of expected amounts by \$9,000. Actual expenditures were less than budget revenues by \$56,000, mainly due to other charges being less than expected.

Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

**Capital Assets**

At June 30, 2006, the Township had \$1.48 million invested in a broad range of capital assets, including land, buildings, furniture, equipment and sewer systems. This amount represents a net decrease (including additions and disposals) of approximately \$72,000 or 4.6%, from last year.

	Governmental		Business-Type		Totals	
	Activities		Activities			
	2006	2005	2006	2005	2006	2005
Land	\$ 500	\$ 500	\$ 15,000	\$ 15,000	\$ 15,500	\$ 15,500
Buildings and improvements	789,000	771,000	0	0	789,000	771,000
Vehicles	17,500	17,500	0	0	17,500	17,500
Machinery and equipment	830,000	822,000	0	0	830,000	822,000
Sewer system	0	0	1,138,000	1,138,000	1,138,000	1,138,000
 Total capital assets	 1,637,000	 1,611,000	 1,153,000	 1,153,000	 2,790,000	 2,764,000
 Less accumulated depreciation	 639,000	 591,000	 672,000	 622,000	 1,311,000	 1,213,000
 Net capital assets	 <u>\$ 998,000</u>	 <u>\$ 1,020,000</u>	 <u>\$ 481,000</u>	 <u>\$ 531,000</u>	 <u>\$ 1,479,000</u>	 <u>\$ 1,551,000</u>

Fixed asset additions for 2006 were \$26,000 and included the resurfacing of the parking lot, installation of an air conditioner, and the purchase of equipment for the Fire Fund.

We present more detailed information about our capital assets in the notes to the financial statements.



Plainfield Township  
Management's Discussion and Analysis  
For the Year Ended June 30, 2006

**Debt**

At the end of this year, the Township had \$371,000 in long-term debt outstanding versus \$426,000 in the previous year – a change of 13%. The Township's debt includes revenue bonds for its sewer system and compensated absences. This debt is summarized as follows:

	<u>2006</u>	<u>2005</u>
Revenue bonds	\$ 365,000	\$ 420,000
Compensated absences	6,000	6,000
	<u>\$ 371,000</u>	<u>\$ 426,000</u>

The Township's General Obligation Bond rating continues to be equivalent to the State's credit rating. We do not anticipate issuing any debt next year.

**Factors Expected to Have an Effect on Future Operations**

We expect to see a decline in state shared revenue next year as the State of Michigan continues to face challenges in balancing its budget. We will need to adjust Township expenditures in response to any revenue shortfall.

**Contacting The Township's Management**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, contact the Township Clerk's Office at 320 N. Washington, Hale, Michigan 48739

Plainfield Township  
Statement of Net Assets  
June 30, 2006

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>Assets</u>			
Cash and investments	\$ 905,249	\$ 210,326	\$ 1,115,575
Receivables:			
Accounts receivable	134,142	24,876	159,018
Special assessments receivable	0	86,919	86,919
Due from other governmental units	10,943	0	10,943
Prepaid expenses and advances	7,156	0	7,156
Capital assets - less accumulated depreciation of \$1,310,106	<u>998,791</u>	<u>481,151</u>	<u>1,479,942</u>
Total assets	<u>2,056,281</u>	<u>803,272</u>	<u>2,859,553</u>
<u>Liabilities</u>			
Accounts payable	40,050	0	40,050
Note payable	60,106	0	60,106
Deferred revenue	235,740	0	235,740
Noncurrent liabilities:			
Due within one year	0	55,000	55,000
Due in more than one year	<u>6,122</u>	<u>310,000</u>	<u>316,122</u>
Total liabilities	<u>342,018</u>	<u>365,000</u>	<u>707,018</u>
<u>Net Assets</u>			
Invested in capital assets net of related debt	998,791	116,151	1,114,942
Unrestricted	<u>715,472</u>	<u>322,121</u>	<u>1,037,593</u>
Total net assets	<u>\$ 1,714,263</u>	<u>\$ 438,272</u>	<u>\$ 2,152,535</u>

See accompanying notes to financial statements

Plainfield Township  
Statement of Activities  
For the Year Ended June 30, 2006

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:						
General government	\$ 399,641	\$ 136,489	\$ 5,715	\$ (257,437)	\$ 0	\$ (257,437)
Public safety	187,544	21,362	0	(166,182)	0	(166,182)
Sanitation	214,142	199,945	0	(14,197)	0	(14,197)
Highways and streets	246,304	18,234	0	(228,070)	0	(228,070)
Other	55,673	17,706	0	(37,967)	0	(37,967)
Library	44,039	54,645	600	11,206	0	11,206
Public works	113,748	0	0	(113,748)	0	(113,748)
Recreation and culture	19,943	0	0	(19,943)	0	(19,943)
Total governmental activities	1,281,034	448,381	6,315	(826,338)	0	(826,338)
Business-type activities:						
Sewer	77,940	64,448	0	0	(13,492)	(13,492)
Total primary government	\$ 1,358,974	\$ 512,829	\$ 6,315	(826,338)	(13,492)	(839,830)
General Revenues:						
Property taxes				507,295	0	507,295
State shared revenue				312,932	0	312,932
Investment earnings				15,894	3,875	19,769
Miscellaneous				77,437	0	77,437
Total general revenues				913,558	3,875	917,433
Change in net assets				87,220	(9,617)	77,603
Net assets - beginning of year				1,627,043	447,889	2,074,932
Net assets - end of year				\$ 1,714,263	\$ 438,272	\$ 2,152,535

See accompanying notes to financial statements

Plainfield Township  
Governmental Funds  
Balance Sheet  
June 30, 2006

	Major Funds						Total
	General Fund	Road Fund	Garbage and Rubbish Collection Fund	Fire Fund	Loon Lake Fund	Non-Major Funds	
<u>Assets</u>							
Cash and investments	\$ 353,510	\$ 245,695	\$ 143,522	\$ 124,574	\$ 1,003	\$ 36,945	\$ 905,249
Receivables - net	43,773	0	90,369	0	0	0	134,142
Due from other governmental units	0	10,943	0	0	0	0	10,943
Prepaid expenditures and advances	7,156	0	0	0	0	0	7,156
Total assets	<u>\$ 404,439</u>	<u>\$ 256,638</u>	<u>\$ 233,891</u>	<u>\$ 124,574</u>	<u>\$ 1,003</u>	<u>\$ 36,945</u>	<u>\$ 1,057,490</u>
<u>Liabilities</u>							
Accounts payable	\$ 6,039	\$ 32,174	\$ 0	\$ 1,783	\$ 0	\$ 54	\$ 40,050
Note payable	0	0	0	0	46,675	13,431	60,106
Deferred revenue	0	0	235,740	0	0	0	235,740
Total liabilities	<u>6,039</u>	<u>32,174</u>	<u>235,740</u>	<u>1,783</u>	<u>46,675</u>	<u>13,485</u>	<u>335,896</u>
<u>Fund Balance (Deficit)</u>							
Unreserved	398,400	224,464	(1,849)	122,791	(45,672)	23,460	721,594
Total fund balance (deficit)	<u>398,400</u>	<u>224,464</u>	<u>(1,849)</u>	<u>122,791</u>	<u>(45,672)</u>	<u>23,460</u>	<u>721,594</u>
Total liabilities and fund balance	<u>\$ 404,439</u>	<u>\$ 256,638</u>	<u>\$ 233,891</u>	<u>\$ 124,574</u>	<u>\$ 1,003</u>	<u>\$ 36,945</u>	<u>\$ 1,057,490</u>

See accompanying notes to financial statements

Plainfield Township  
Reconciliation of Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2006

Total fund balance - governmental funds		\$	721,594
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and are not reported in the funds:			
Cost of the capital assets	\$ 1,637,355		
Accumulated depreciation	<u>(638,564)</u>		998,791
Long-term liabilities are not due and payable in the current period and are not reported in the funds:			
Compensated absences			<u>(6,122)</u>
Total net assets - governmental activities		\$	<u><u>1,714,263</u></u>

See accompanying notes to financial statements

Plainfield Township  
Governmental Funds  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2006

	Major Funds						
	General Fund	Road Fund	Garbage and Rubbish Collection Fund	Fire Fund	Loon Lake Improvement Fund	Non-Major Funds	Total
<u>Revenues</u>							
State shared revenue	\$ 293,562	\$ 19,370	\$ 0	\$ 0	\$ 0	\$ 0	\$ 312,932
Taxes and penalties	120,968	165,961	0	163,838	0	56,528	507,295
Charges for services	80,533	0	0	21,362	0	0	101,895
Licenses and permits	55,956	0	0	0	0	0	55,956
Special assessment	0	18,234	199,945	0	17,706	54,645	290,530
Other revenue	26,135	50,467	1,050	4,800	700	600	83,752
Interest and rentals	11,661	2,945	471	610	57	150	15,894
Total revenues	588,815	256,977	201,466	190,610	18,463	111,923	1,368,254
<u>Expenditures</u>							
General government	404,942	0	0	0	0	0	404,942
Public safety	18,009	0	0	144,926	0	0	162,935
Sanitation	0	0	213,492	0	0	0	213,492
Public works	17,528	0	0	0	44,825	51,395	113,748
Highways and streets	0	246,304	0	0	0	0	246,304
Recreation and culture	19,276	0	0	0	0	0	19,276
Library	0	0	0	0	0	44,039	44,039
Other	55,595	0	0	0	0	78	55,673
Total expenditures	515,350	246,304	213,492	144,926	44,825	95,512	1,260,409
Excess of revenues over (under) expenditures	73,465	10,673	(12,026)	45,684	(26,362)	16,411	107,845
<u>Other Financing Sources (Uses)</u>							
Operating transfers in from other funds	60,106	0	0	0	27,365	4,000	91,471
Operating transfers (out) from other funds	(31,365)	0	0	0	(46,675)	(13,431)	(91,471)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	102,206	10,673	(12,026)	45,684	(45,672)	6,980	107,845
Fund balance - beginning of year	296,194	213,791	10,177	77,107	0	16,480	613,749
Fund balance (deficit) - end of year	\$ 398,400	\$ 224,464	\$ (1,849)	\$ 122,791	\$ (45,672)	\$ 23,460	\$ 721,594

See accompanying notes to financial statements

Plainfield Township  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2006

Net change in fund balance - total governmental funds	\$ 107,845
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation	
Depreciation expense	(47,206)
Capital outlay	26,260
Decreases in compensated absences are reported as expenditures when financial resources are used in the governmental funds	<u>321</u>
Change in net assets of governmental activities	<u><u>\$ 87,220</u></u>

See accompanying notes to financial statements

Plainfield Township  
Proprietary Fund  
Statement of Net Assets  
June 30, 2006

Assets

Current assets:

Cash and investments	\$ 210,326
Receivables - net	<u>24,876</u>
Total current assets	235,202

Capital assets less accumulated  
depreciation of \$671,542

481,151

Special assessments receivable

86,919

Total assets

803,272

Liabilities

Current liabilities:

Current portion of bonds payable	55,000
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Long-term liabilities:

Bonds payable	<u>310,000</u>
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Total liabilities

365,000

Net Assets

Unreserved	<u><u>\$ 438,272</u></u>
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See accompanying notes to financial statements



Plainfield Township  
Proprietary Fund  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
For the Year Ended June 30, 2006

Operating Revenues

Charges for sewer services	\$ 64,448
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Operating Expenses

Personnel costs	8,903
Contractual services	800
Utilities	1,156
Repairs and maintenance	4,352
Other supplies and expense	1,524
Depreciation	49,485

Total operating expenses	66,220
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Operating income (loss)	(1,772)
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Nonoperating Revenues (Expenses)

Interest income	3,875
Interest expense	(11,720)

Change in net assets	(9,617)
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Net assets - beginning of year	447,889
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Net assets - end of year	\$ 438,272
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See accompanying notes to financial statements

PLAINFIELD TOWNSHIP  
Proprietary Fund  
Statement of Cash Flows  
For the Year Ended June 30, 2006

Cash Flows From Operating Activities

Cash received from customers	\$ 67,221
Cash payments to suppliers for goods and services	(6,679)
Cash payments to employees for services	(8,997)
Other income (expense)	(1,262)
Net cash provided by operating activities	<u>50,283</u>

Cash Flows From Capital and Related Financing Activities

Collection of special assessments	41,892
Principal paid on contracts and bonds	(55,000)
Interest paid on contracts and bonds	(11,720)
Net cash (used) by capital and related financing activities	<u>(24,828)</u>

Cash Flows From Investing Activities

Interest revenue	<u>3,875</u>
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Net increase in cash and investments 29,330

Cash and investments - beginning of year 180,996

Cash and investments - end of year \$ 210,326

Reconciliation of Cash Flows from Operations

Operating income (loss)	\$ (1,772)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	49,485
Changes in operating assets and liabilities:	
Accounts receivable	2,772
Due to other funds	(202)
Net cash provided by operating activities	<u><u>\$ 50,283</u></u>

See accompanying notes to financial statements

Plainfield Township  
Fiduciary Fund  
Statement of Net Assets  
June 30, 2006

	<u>Cemetery Trust Fund</u>
<u>Assets</u>	
Cash and cash equivalents	<u>\$ 3,545</u>
<u>Net Assets</u>	
Reserved	2,000
Unreserved - undesignated	<u>1,545</u>
Total net assets	<u><u>\$ 3,545</u></u>

Statement of Changes in Net Assets  
For the Year Ended June 30, 2006

<u>Additions</u>	
Investment earnings	\$ 74
Net assets - beginning of year	<u>3,471</u>
Net assets - end of year	<u><u>\$ 3,545</u></u>

See accompanying notes to financial statements

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Township of Plainfield conform to U.S. generally accepted accounting principles as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township of Plainfield:

**Reporting Entity**

The Township of Plainfield is governed by an elected five member council (Board). The accompanying financial statements present the financial position and results of operations for the Township.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Property taxes, state shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue in the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

The Township reports the following major governmental funds:

**General Fund** - The General Fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived primarily from property taxes and state and federal distributions, grants and other intergovernmental revenues.

**Road Fund** – The Road Fund is used to record transactions relative to the repairs and upgrades to existing roads of the Township.

**Garbage and Rubbish Collection Fund** – The Garbage and Rubbish Collection Fund is used to record transactions relative to the collection and disposal of garbage and rubbish.

**Fire Fund** – The Fire Fund is used to record transactions relative to the fire services provided to the Township.

**Loon Lake** – The Loon Lake Improvement fund is used to record transactions associated with the maintenance of Loon Lake.

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Liabilities, and Net Assets or Equity**

Cash and Investments – Cash and investments are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “advances to/from other funds”. Any residual balances outstanding between the governmental activities are reported in the government-wide financial statements as “internal balances”.

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

Capital Assets – Capital assets, which include land, buildings, equipment and infrastructure assets are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add value or materially extend asset lives are not capitalized.

Land, building, equipment and infrastructure are depreciated using the straight-line method over the following useful lives:

Buildings	15 to 40 years
Building improvements	15 to 20 years
Sewer lines	40 years
Vehicles	7 to 12 years
Machinery and equipment	5 to 7 years

Long-term Obligations – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period.

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences – The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method. Leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future receive such payments upon termination.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates – The process of preparing the basic financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

**NOTE 2 – BUDGETS**

The State of Michigan adopted a Uniform Budgeting and Accounting Act (Act) applicable to all local governmental entities in the state. The law requires appropriation acts to be adopted for General and Special Revenue Funds of governments prior to the expenditure of monies in a fiscal year.

The Township of Plainfield follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The Township's supervisor submits to the Board a proposed budget prior to July 1 of each year. The budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Budgeted amounts are as originally adopted, or as amended by the Board throughout the year. Individual amendments were not material in relation to the original appropriations. Budgets are adopted to the functional level.
4. Appropriations lapse at year-end. These appropriations are re-established at the beginning of the following year.

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 2 – BUDGETS (CONTINUED)**

A comparison of actual results of operations to the budgeted amounts (at the level of control adopted by the Board) for the General Fund, Road Fund, Garbage and Rubbish Collection Fund, Fire Funds, and Loon Lake Improvement Fund are presented as Required Supplemental Information.

Excess of Expenditures Over Appropriations in Budgeted Funds – During the year, the Township of Plainfield incurred expenditures in certain budgeted funds which were in excess of the amounts appropriated, as follows:

<u>Fund/Function</u>	<u>Total Appropriation</u>	<u>Amount of Expenditure</u>	<u>Budget Variance</u>
General Fund:			
Public works	\$ 16,700	\$ 17,528	\$ 828
Transfer out	0	31,365	31,365
Road Fund:			
Highways and streets	219,500	246,304	26,804
Garbage and Rubbish Collection Fund:			
Sanitation	195,000	213,492	18,492
Loon Lake Improvement Fund			
Public works	41,809	44,825	3,016
Transfer out	0	46,675	46,675

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Michigan Compiled Laws, Section 129.91, authorizes the Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rates within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. The Township's deposits are in accordance with statutory authority.

At year-end, the Township's deposits and investments were reported in the basic financial statements in the following categories:



Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

Governmental activities	\$ 905,249
Business-type activities	210,326
Fiduciary funds	<u>3,545</u>
Total	<u><u>\$ 1,119,120</u></u>

The breakdown between deposits and investments is as follows:

Bank deposits (checking and savings accounts, certificates of deposit)	\$ 981,860
Investments (money market account)	137,010
Petty cash and cash on hand	<u>250</u>
Total	<u><u>\$ 1,119,120</u></u>

**Interest Rate Risk**

In accordance with its investment policy, the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations.

**Credit Risk**

State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2006, the Township's investment in the pool was rated AAAM by Standard & Poor's, indicating excellent safety.

**Custodial Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. As of June 30, 2006, \$783,506 of the Township's bank balance of \$983,506 was exposed to custodial credit risk because it was uninsured and collateralized.

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity of the Township for the current year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Ending Balance</u>
<b><u>Governmental activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 530	\$ 0	\$ 0	\$ 530
Capital assets being depreciated:				
Buildings and improvements	770,707	18,760	0	789,467
Vehicles	17,500	0	0	17,500
Machinery and equipment	822,358	7,500	0	829,858
Subtotal	<u>1,610,565</u>	<u>26,260</u>	<u>0</u>	<u>1,636,825</u>
Less accumulated depreciation for:				
Buildings	419,835	17,680	0	437,515
Vehicles	8,550	1,750	0	10,300
Machinery and equipment	162,973	27,776	0	190,749
Subtotal	<u>591,358</u>	<u>47,206</u>	<u>0</u>	<u>638,564</u>
Net capital assets being depreciated	<u>1,019,207</u>	<u>(20,946)</u>	<u>0</u>	<u>998,261</u>
Governmental activities, total capital assets - net of depreciation	<u>\$ 1,019,737</u>	<u>\$ (20,946)</u>	<u>\$ 0</u>	<u>\$ 998,791</u>
<b><u>Business-type activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 15,000	\$ 0	\$ 0	\$ 15,000
Capital assets being depreciated:				
Sewer system	<u>1,137,693</u>	<u>0</u>	<u>0</u>	<u>1,137,693</u>
Less accumulated depreciation for:				
Sewer system	<u>622,057</u>	<u>49,485</u>	<u>0</u>	<u>671,542</u>
Business-type activities, total capital assets, net of depreciation	<u>\$ 530,636</u>	<u>\$ (49,485)</u>	<u>\$ 0</u>	<u>\$ 481,151</u>

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 4 - CAPITAL ASSETS (CONTINUED)**

Depreciation expense was charged to functions as follows:

Governmental activities:

General government	\$ 13,780
Public safety	32,109
Recreation	667
Sanitation	<u>650</u>

Total governmental activities depreciation expense	<u>\$ 47,206</u>
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Business-type activities:

Sewer	<u>\$ 49,485</u>
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**NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A summary of interfund transfers at June 30, 2006 is as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 60,106	\$ 31,365
Special Revenue:		
Loon Lake	27,365	46,675
West Londo Lake	0	13,431
Little Long Lake	<u>4,000</u>	<u>0</u>
	<u>\$ 91,471</u>	<u>\$ 91,471</u>

There were no interfund receivable and payable balances as of June 30, 2006.

Transfers are used to reflect funding support for weed treatment of Loon Lake, West Londo Lake and Little Long Lake.

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 6 - LONG-TERM DEBT**

A summary of the Township's long term debt is as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Ending Balance</u>
<b><u>Business-type Activities</u></b>				
Contract payable with Iosco County, due in annual installments of \$40,000 to \$50,000 plus interest at the rate of 2.0%, through April 1, 2012.	\$ 330,000	\$ 0	\$ (45,000)	\$ 285,000
1996 Sewer Extension Bond, due in annual installments of \$10,000 to \$20,000 plus interest at the rate of 6.245%, through June 1, 2013.	<u>90,000</u>	<u>0</u>	<u>(10,000)</u>	<u>80,000</u>
Total Business-Type Activities	<u><u>\$ 420,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (55,000)</u></u>	<u><u>\$ 365,000</u></u>

Long-term obligation activity can be summarized as follows:

	July 1, 2005	Additions	Retirements and Payments	June 30, 2006	Within One Year
Bonds	\$ 420,000	\$ 0	\$ 55,000	\$ 365,000	\$ 55,000
Compensated absences	6,443	0	321	6,122	0
	<u><u>\$ 426,443</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 55,321</u></u>	<u><u>\$ 371,122</u></u>	<u><u>\$ 55,000</u></u>

Plainfield Township  
Notes to Financial Statements  
For the Year Ended June 30, 2006

**NOTE 6 - LONG-TERM DEBT (CONTINUED)**

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Year End June 30</u>	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 55,000	\$ 10,696	\$ 65,696
2008	55,000	9,171	64,171
2009	55,000	7,647	62,647
2010	60,000	6,123	66,123
2011	60,000	4,498	64,498
2011-2014	80,000	4,123	84,123
Total	<u>\$ 365,000</u>	<u>\$ 42,258</u>	<u>\$ 407,258</u>

**NOTE 7 – SHORT-TERM DEBT ACTIVITY**

The Township issued promissory notes in advance of special assessment payments. These notes are necessary because the Township's cash flow obligation to operating expenses precede the collection of special assessments that are included on the winter tax bill.

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
West Londo Lake Note	\$ 0	\$ 46,675	\$ 0	\$ 46,675
Loon Lake Note	0	13,431	0	13,431
	<u>\$ 0</u>	<u>\$ 60,106</u>	<u>\$ 0</u>	<u>\$ 60,106</u>

**NOTE 8 – DEFICIT FUND BALANCE**

The Township's Garbage and Rubbish Collection Fund, Loon Lake Improvement Fund and West Londo Lake Fund all have a deficit fund balance as a result of having excess expenditures over revenues. These deficits will be eliminated through future special assessments.

Plainfield Township  
Required Supplemental Information  
Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2006

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
State shared revenue	\$ 295,000	\$ 295,000	\$ 293,562	\$ (1,438)
Property taxes	116,050	116,050	120,968	4,918
Charges for services	90,050	90,050	80,533	(9,517)
Licenses and permits	50,000	50,000	55,956	5,956
Other revenue	93,065	16,500	26,135	9,635
Interest and rentals	6,000	6,000	11,661	5,661
Total revenues	650,165	573,600	588,815	15,215
<u>Expenditures</u>				
General government	510,945	430,380	404,942	25,438
Public safety	18,230	18,230	18,009	221
Public works	13,700	16,700	17,528	(828)
Recreation and cultural	10,950	19,950	19,276	674
Other charges	87,000	86,000	55,595	30,405
Total expenditures	640,825	571,260	515,350	55,910
Excess of revenues over expenditures	9,340	2,340	73,465	71,125
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	0	0	60,106	60,106
Operating transfers (out)	0	0	(31,365)	(31,365)
Excess of revenues and other financing sources over expenditures and other financing uses	9,340	2,340	102,206	99,866
Fund balance - beginning of year	296,194	296,194	296,194	0
Fund balance - end of year	\$ 305,534	\$ 298,534	\$ 398,400	\$ 99,866

Plainfield Township  
Required Supplemental Information  
Budgetary Comparison Schedule - Road Fund  
For the Year Ended June 30, 2006

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Property taxes	\$ 152,500	\$ 152,500	\$ 165,961	\$ 13,461
State shared revenue	19,370	19,370	19,370	0
Special assessment	16,100	16,100	18,234	2,134
Other revenue	34,930	34,930	50,467	15,537
Interest	600	600	2,945	2,345
Total revenues	223,500	223,500	256,977	33,477
<u>Expenditures</u>				
Highways and streets	219,500	219,500	246,304	(26,804)
Excess of revenues over expenditures	4,000	4,000	10,673	6,673
Fund balance - beginning of year	213,791	213,791	213,791	0
Fund balance - end of year	<u>\$ 217,791</u>	<u>\$ 217,791</u>	<u>\$ 224,464</u>	<u>\$ 6,673</u>

Plainfield Township  
Required Supplemental Information  
Budgetary Comparison Schedule - Garbage and Rubbish Collection Fund  
For the Year Ended June 30, 2006

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Special assessment	\$ 190,000	\$ 190,000	\$ 199,945	\$ 9,945
Other revenue	2,000	2,000	1,050	(950)
Interest	3,000	3,000	471	(2,529)
Total revenues	195,000	195,000	201,466	6,466
<u>Expenditures</u>				
Sanitation	195,000	195,000	213,492	(18,492)
Excess of revenues over (under) expenditures	0	0	(12,026)	(12,026)
Fund balance - beginning of year	10,177	10,177	10,177	0
Fund balance (deficit) - end of year	<u>\$ 10,177</u>	<u>\$ 10,177</u>	<u>\$ (1,849)</u>	<u>\$ (12,026)</u>



Plainfield Township  
Required Supplemental Information  
Budgetary Comparison Schedule - Fire Fund  
For the Year Ended June 30, 2006

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Property taxes	\$ 158,552	\$ 158,552	\$ 163,838	\$ 5,286
Charges for services	20,000	20,000	21,362	1,362
Other revenue	11,500	11,500	4,800	(6,700)
Interest	500	500	610	110
Total revenues	190,552	190,552	190,610	58
<u>Expenditures</u>				
Public safety	174,902	174,902	144,926	29,976
Excess of revenues over expenditures	15,650	15,650	45,684	30,034
Fund balance - beginning of year	77,107	77,107	77,107	0
Fund balance - end of year	<u>\$ 92,757</u>	<u>\$ 92,757</u>	<u>\$ 122,791</u>	<u>\$ 30,034</u>

Plainfield Township  
Required Supplemental Information  
Budgetary Comparison Schedule - Loon Lake Improvement Fund  
For the Year Ended June 30, 2006

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Favorable (Unfavorable)
<u>Revenues</u>				
Special Assessments	41,809	41,809	17,706	(24,103)
Other revenue	0	0	700	700
Interest	0	0	57	57
Total revenues	41,809	41,809	18,463	(23,346)
<u>Expenditures</u>				
Public works	41,809	41,809	44,825	(3,016)
Excess of revenues over (under) expenditures	0	0	(26,362)	(26,362)
<u>Other Financing Sources (Uses)</u>				
Operating transfers in	0	0	27,365	27,365
Operating transfers out	0	0	(46,675)	(46,675)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(45,672)	(45,672)
Fund balance - beginning of year	0	0	0	0
Fund balance (deficit) - end of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (45,672)</u>	<u>\$ (45,672)</u>

Plainfield Township  
Governmental Funds  
Combining Balance Sheet-Nonmajor Governmental Funds  
June 30, 2006

	Special Revenue Funds				
	Library Fund	Bass Lake Fund	West Londo Lake Fund	Little Long Lake Fund	Total
<u>Assets</u>					
Cash and investments	\$ 29,724	\$ 230	\$ 870	\$ 6,121	\$ 36,945
<u>Liabilities</u>					
Accounts payable	\$ 54	\$ 0	\$ 0	\$ 0	\$ 54
Note payable	0	0	13,431	0	13,431
Total liabilities	54	0	13,431	0	13,485
<u>Fund Balance (Deficit)</u>					
Unreserved	29,670	230	(12,561)	6,121	23,460
Total fund balance (deficit)	29,670	230	(12,561)	6,121	23,460
Total liabilities and fund balance	\$ 29,724	\$ 230	\$ 870	\$ 6,121	\$ 36,945

Plainfield Township  
Governmental Funds  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance-Nonmajor Governmental Funds  
For the Year Ended June 30, 2006

	Special Revenue Funds				Total
	Library Fund	Bass Lake Fund	West Londo Lake Fund	Little Long Lake Fund	
<u>Revenues</u>					
Taxes and penalties	56,528	0	0	0	56,528
Special assessment	0	15,084	22,761	16,800	54,645
Other revenue	600	0	0	0	600
Interest and rentals	101	9	19	21	150
Total revenues	57,229	15,093	22,780	16,821	111,923
<u>Expenditures</u>					
Current:					
Public works	0	14,785	21,910	14,700	51,395
Library	44,039	0	0	0	44,039
Other	0	78	0	0	78
Total expenditures	44,039	14,863	21,910	14,700	95,512
Excess of revenues over (under) expenditures	13,190	230	870	2,121	16,411
<u>Other Financing Sources (Uses)</u>					
Operating transfers in from other funds	0	0	0	4,000	4,000
Operating transfers (out) from other funds	0	0	(13,431)	0	(13,431)
Excess of revenues and other financing sources over (under) expenditures and other financing uses	13,190	230	(12,561)	6,121	6,980
Fund balance - beginning of year	16,480	0	0	0	16,480
Fund balance (deficit) - end of year	\$ 29,670	\$ 230	\$ (12,561)	\$ 6,121	\$ 23,460